

Assembly Bill No. 982

Passed the Assembly August 29, 2002

Chief Clerk of the Assembly

Passed the Senate August 27, 2002

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2002, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to add Article 9.5 (commencing with Section 1970) to Chapter 4 of, to add Article 7.5 (commencing with Section 2153.5) and Article 7.7 (commencing with Section 2154) to Chapter 5 of, and to repeal Article 7.5 (commencing with Section 2154) of Chapter 5 of, Division 2 of the Business and Professions Code, and to add Section 128224 to, and to add Article 2.5 (commencing with Section 127925) to Chapter 2 of Part 3 of Division 107 of the Health and Safety Code, relating to health care, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 982, Firebaugh. Health care.

Existing law, the Dental Practice Act and the Medical Practice Act, regulate the practice of medicine and dentistry in this state.

This bill would establish the California Medical and Dental Student Loan Repayment Program of 2002 which would be administered by the Office of Statewide Health Planning and Development and would provide conditional warrants for loan repayment to individuals enrolled in a postsecondary institution studying medicine or dentistry who agree to practice in medically and dentally underserved areas. The bill would authorize repayment of these conditional warrants, up to a specified amount, to participating, qualified, and licensed physicians and dentists who practice in underserved areas of the state. The bill would require the office to administer financial or other incentives to experienced dentists and physicians in an effort to market the programs at medical and dental schools in the state. The bill would provide that this program would not become operative unless appropriate funding, as determined by the office, is made available.

This bill would establish the Dental Corps Loan Repayment Programs of 2002 in the Dental Board of California and would create the Dentally Underserved Account in the State Dentistry Fund. The bill would authorize the Dentally Underserved Account to be funded by a \$3,000,000 transfer from the State Dentistry Fund, and beginning July 1, 2003, \$3,000,000 would be appropriated over a 3-year period in \$1,000,000 yearly increments



from the State Dentistry Fund to the Dentally Underserved Account for loan repayments.

This bill would establish the California Physician Corps Loan Repayment Program of 2002 in the Division of Licensing of the Medical Board of California. The bill would create the Medically Underserved Account in the Contingent Fund of the Medical Board of California. The bill would authorize the Medically Underserved Account to be funded by a \$3,450,000 transfer from the Contingent Fund of the Medical Board of California, and beginning July 1, 2003, \$3,450,000 would be appropriated over a 3-year period in \$1,150,000 yearly increments from the Contingent Fund of the Medical Board of California to the Medically Underserved Account for loan repayments.

This bill would require reports to the Legislature on an annual basis regarding the number of program participants, practice locations, and the costs of the programs.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known as the Community Healthcare Service Expansion Act.

SEC. 2. The Legislature finds and declares all of the following:

(a) According to the 2000 Census and its Supplementary Survey, communities of color represent a majority, 53 percent, of the state's population. In addition, almost 40 percent of Californians speak a language other than English at home.

(b) According to the Institute of Medicine Report entitled "Unequal Treatment," to improve the health care of diverse populations and to eliminate health disparities, culturally and linguistically appropriate services are critical. For example, the provision of language assistance services results in improved quality of health care, increased access to health services, reduced medical errors, and greater provider-patient trust and satisfaction for limited-English proficient populations.

(c) The Department of Health and Human Services Office of Minority Health published standards for culturally and linguistically appropriate services (CLAS) on December 22, 2000. These CLAS standards outlined requirements, guidelines and



recommendations on how health care organizations can make their practices more culturally and linguistically accessible, with the ultimate goal of eliminating racial and ethnic health disparities.

(d) According to the Bureau of Health Professions, the cost of receiving medical and dental education and training results in many new physicians and dentists being unable to afford to work in underserved communities, including those that face cultural and linguistic barriers to care, because of the need to repay student loans.

(e) According to the Center for California Health Workforce Studies, despite some existing programs to repay student loans for physicians who commit to work in underserved areas, there are still inadequate numbers of physicians that are culturally or linguistically competent to serve these areas. The same holds true for dentists, for whom few subsidized loan repayment programs or options exist.

(f) It is in the interest of the state and its residents that medical and dental services be provided throughout California in a manner that can be effectively accessed by the residents of all communities.

SEC. 3. Article 9.5 (commencing with Section 1970) is added to Chapter 4 of Division 2 of the Business and Professions Code, to read:

Article 9.5. California Dental Corps Loan Repayment
Program

1970. There is hereby established in the Dental Board of California the Dental Corps Loan Repayment Program of 2002, which shall become operative on January 1, 2003. This program shall be known and may be cited as the California Dental Corps Loan Repayment Program of 2002.

1970.5. It is the intent of this article that the Dental Board of California, in consultation with the Office of Statewide Health Planning and Development, the dental community, including ethnic representatives, dental schools, health advocates representing ethnic communities, primary care clinics, public hospitals and health systems, statewide agencies administering state and federally funded programs targeting underserved communities, and members of the public with health care



issue-area expertise shall develop and implement the California Dental Corps Loan Repayment Program of 2002.

1971. For the purposes of this article, the following terms have the following meanings:

(a) “Board” means the Dental Board of California.

(b) “Office” means the Office of Statewide Health Planning and Development.

(c) “Program” means the California Dental Corps Loan Repayment Program.

(d) “Dentally underserved area” means a geographic area eligible to be designated as having a shortage of dental professionals pursuant to Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for dentists exist as determined by the Health Manpower Policy Commission pursuant to Section 128224 of the Health and Safety Code.

(e) “Dentally underserved population” means persons without dental insurance and persons eligible for the Denti-Cal and Healthy Families Programs who are population groups described as having a shortage of dental care professionals in Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations.

(f) “Practice setting” means:

(1) A community clinic, as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county’s role pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a dentally underserved area and at least 50 percent of whose patients are from a dentally underserved population; or

(2) A dental practice or dental corporation, as defined in Section 1800 of this code, located in a dentally underserved area and at least 50 percent of whose patients are from a dentally underserved population.

(g) “Medi-Cal threshold languages” means primary languages spoken by limited-English proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP



beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(h) “Fund” means the Community Healthcare Service Expansion Fund.

(i) “Account” means the Dentally Underserved Account which is contained within the fund.

1972. (a) Program applicants shall possess a current valid license to practice dentistry in this state issued by the board pursuant to Section 1626.

(b) The board, in accordance with Section 1970.5, shall develop the guidelines for selection and placement of applicants.

(1) Guidelines shall provide priority consideration to applicants who are best suited to meet the cultural and linguistic needs and demands of dentally underserved populations and that meet one or more of the following criteria:

(A) Speak a Medi-Cal threshold language.

(B) Come from an economically disadvantaged background.

(C) Have received significant training in cultural and linguistically appropriate service delivery.

(D) Have worked with dentally underserved communities for at least three years.

(E) Recently received a license to practice dentistry.

(2) The guidelines shall include a process for determining the needs for dentist services identified by the practice setting. At a minimum, the practice setting shall meet the following criteria:

(A) The practice setting shall be located in a dentally underserved area.

(B) The practice setting shall ensure that the program participant serves a patient population that consists of at least 50 percent dentally underserved populations.

(3) Guidelines shall seek to place the most qualified applicants under this section in the areas with the greatest need.

(4) Guidelines shall include a factor ensuring geographic distribution of placements.

(c) Program applicants shall be working in or have a signed agreement with an eligible practice setting. The program participant shall have full-time status. Full-time status shall be defined by the board, and the board may establish exemptions to this requirement on a case-by-case basis.



(d) Program participants shall commit to a minimum of three years of service in a dentally underserved area. The board, in accordance with Section 1970.5, shall develop the process for determining the maximum length of an absence and the process for reinstatement. Loan repayment shall be deferred until the dentist is back to full-time status.

(e) The board, in accordance with Section 1970.5, shall develop the process if a dentist is not able to complete his or her three-year obligation.

(f) The board, in accordance with Section 1970.5, shall develop a process for outreach to potentially eligible applicants.

(g) The board may adopt any other standards of eligibility, placement and termination appropriate to achieve the aim of providing competent dental services in these approved practice settings.

1973. (a) The Dentally Underserved Account is hereby created in the State Dentistry Fund.

(b) The sum of three million dollars (\$3,000,000) is hereby authorized to be expended from the State Dentistry Fund on this program. These moneys are appropriated as follows:

(1) One million dollars (\$1,000,000) shall be transferred from the State Dentistry Fund to the Dentally Underserved Account on July 1, 2003. Of this amount, sixty-five thousand dollars (\$65,000) shall be used by the Dental Board of California in the 2003–04 fiscal year for operating expenses necessary to manage this program.

(2) One million dollars (\$1,000,000) shall be transferred from the State Dentistry Fund to the Dentally Underserved Account on July 1, 2004. Of this amount, sixty-five thousand dollars (\$65,000) shall be used by the Dental Board of California in the 2004–05 fiscal year for operating expenses necessary to manage this program.

(3) One million dollars (\$1,000,000) shall be transferred from the State Dentistry Fund to the Dentally Underserved Account on July 1, 2005. Of this amount, sixty-five thousand dollars (\$65,000) shall be used by the Dental Board of California in the 2005–06 fiscal year for operating expenses necessary to manage this program.



(c) Funds placed into the Dentally Underserved Account shall be used by the board to repay the loans per agreements made with dentists.

(1) Funds paid out for loan repayment may have a funding match from foundation or other private sources.

(2) Loan repayments shall not exceed one hundred five thousand dollars (\$105,000) per individual licensed dentist.

(3) Loan repayments shall not exceed the amount of the educational loans incurred by the dentist applicant.

(d) Notwithstanding Section 11005 of the Government Code, the board may seek and receive matching funds from foundations and private sources to be placed into the Dentally Underserved Account. The board also may contract with an exempt foundation for the receipt of matching funds to be transferred to the Dentally Underserved Account for use by this program.

1975. The terms of loan repayment granted under this article shall be as follows:

(a) After a program participant has completed one year of providing services as a dentist in a dentally underserved area, the board shall provide up to twenty-five thousand dollars (\$25,000) for loan repayment.

(b) After a program participant has completed two consecutive years of providing services as a dentist in a dentally underserved area, the board shall provide up to an additional thirty-five thousand dollars (\$35,000) of loan repayment, for a total loan repayment of up to sixty thousand dollars (\$60,000).

(c) After a program participant has completed three consecutive years of providing services as a dentist in a dentally underserved area, the board shall provide up to a maximum of an additional forty-five thousand dollars (\$45,000) of loan repayment, for a total loan repayment of up to one hundred five thousand dollars (\$105,000).

1976. (a) On January 1, 2003, applications from dentists for program participation may be submitted.

(b) The board shall report to the Legislature, no later than October 1, 2004, the experience of the program since its inception, an evaluation of its effectiveness in improving access to dental care for underserved populations, and recommendations for maintaining or expanding its operation. The report to the Legislature shall also include the following:



- (1) The number of the program participants.
 - (2) The practice locations.
 - (3) The amount expended for the program.
 - (4) The information on annual performance reviews by practice settings and program participants.
- (c) The board may promulgate emergency regulations to implement the program.

SEC. 4. Article 7.5 (commencing with Section 2154) of Chapter 5 of Division 2 of the Business and Professions Code is repealed.

SEC. 5. Article 7.5 (commencing with Section 2153.5) is added to Chapter 5 of Division 2 of the Business and Professions Code, to read:

Article 7.5. Osteopathic Reciprocity Applications

2153.5. Notwithstanding any other provisions of law, the Osteopathic Medical Board of California shall issue an osteopathic physician's and surgeon's certificate on reciprocity to an applicant providing he or she meets the following requirements:

(a) The applicant holds an unlimited license to engage in the practice of osteopathic medicine in another state whose written licensing examination is recognized and approved by the board to be equivalent in content to that administered in California. For the purposes of this section, the board may recognize and approve as equivalent, along with other examinations, an examination prepared by the Federation of State Medical Boards if an applicant had been licensed in another state as a result of the successful completion, prior to December 31, 1993, of that examination. In lieu of a board recognized and approved state written license examination, the board may require the applicant to successfully complete a special examination in general medicine and osteopathic principles prepared by the National Board of Osteopathic Medical Examiners, or the Osteopathic Medical Board of California. The board may also utilize a special purpose examination prepared by the Federation of State Medical Boards.

(b) The board determines that no disciplinary action has been taken against the applicant by any medical licensing authority and that the applicant has not been the subject of adverse judgments or settlements resulting from the practice of medicine which the



board determines constitutes evidence of a pattern of negligence or incompetence.

(c) The applicant successfully completes an oral, clinical, and practical examination, as determined by the board.

SEC. 6. Article 7.7 (commencing with Section 2154) is added to Chapter 5 of Division 2 of the Business and Professions Code, to read:

Article 7.7. California Physician Corps Loan Repayment Program

2154. There is hereby established in the Division of Licensing of the Medical Board of California, the California Physician Corps Loan Repayment Program of 2002, which shall become operative on January 1, 2003. This program shall be known and may be cited as the California Physician Corps Loan Repayment Program of 2002.

2154.1. It is the intent of this article that the Division of Licensing, in consultation with the Office of Statewide Health Planning and Development, the medical community, including ethnic representatives, medical schools, health advocates representing ethnic communities, primary care clinics, public hospitals and health systems, statewide agencies administering state and federally funded programs targeting underserved communities, and members of the public with health care issue-area expertise shall develop and implement the California Physician Corps Loan Repayment Program of 2002.

2154.2. For the purposes of this article, the following terms have the following meanings:

(a) “Division” means the Division of Licensing.

(b) “Office” means the Office of Statewide Health Planning and Development (OSHPD).

(c) “Program” means the California Physician Corps Loan Repayment Program.

(d) “Medically underserved area” means an area as defined in Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exist as determined by the Health Manpower Policy Commission pursuant to Section 128225 of the Health and Safety Code.



(e) “Medically underserved population” means the Medi-Cal, Healthy Families, and uninsured populations.

(f) “Practice setting” means:

(1) A community clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county’s role pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.

(2) A medical practice located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.

(g) “Primary specialty” means family practice, internal medicine, pediatrics, or obstetrics/gynecology.

(h) “Medi-Cal threshold languages” means primary languages spoken by limited-English proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(i) “Fund” means the Community Healthcare Services Expansion Fund.

(j) “Account” means the Medically Underserved Account which is contained within the fund.

2154.3. (a) Program applicants shall possess a current valid license to practice medicine in this state issued by the board pursuant to Section 2050.

(b) The division, in accordance with Section 2154.1, shall develop the guidelines for selection and placement of applicants.

(1) Guidelines shall provide priority consideration to applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and shall meet one or more of the following criteria:

(A) Speak a Medi-Cal threshold language.

(B) Come from an economically disadvantaged background.

(C) Have received significant training in cultural and linguistically appropriate service delivery.



(D) Have three years of experience working in medically underserved areas or with medically underserved populations.

(E) Have recently obtained their license to practice medicine.

(2) The guidelines shall include a process for determining the needs for physician services identified by the practice setting. At a minimum, the practice setting shall meet the following criteria:

(A) The practice setting shall be located in a medically underserved area.

(B) The practice setting shall ensure that the program participant serves a patient population that consists of at least 50 percent medically underserved populations.

(3) The guidelines shall give preference to applicants who have completed a three-year residency in a primary specialty.

(4) Guidelines shall seek to place the most qualified applicants under this section in the areas with the greatest need.

(5) Guidelines shall include a factor ensuring geographic distribution of placements.

(c) The division may fill up to 20 percent of the available positions with program applicants from specialties outside of the primary care specialties.

(d) Program applicants shall be working in or have a signed agreement with an eligible practice setting. The program participant shall have full-time status. Full-time status shall be defined by the division and the division may establish exemptions to this requirement on a case-by-case basis.

(e) Program participants shall commit to a minimum of three years of service in a medically underserved area. Leaves of absences will be permitted for serious illnesses, pregnancy, or other natural causes. The division, in accordance with Section 2154.1, shall develop the process for determining the maximum permissible length of an absence and the process for reinstatement. Loan repayment shall be deferred until the physician is back to full-time status.

(f) The division, in accordance with Section 2154.1, shall develop the process should a physician be unable to complete his or her three-year obligation.

(g) The division, in accordance with Section 2154.1, shall develop a process for outreach to potentially eligible applicants.

(h) The division may adopt any other standards of eligibility, placement, and termination appropriate to achieve the aim of



providing competent health care services in these approved practice settings.

2154.4. (a) The Medically Underserved Account is hereby created in the Contingent Fund of the Medical Board of California.

(b) The sum of three million four hundred fifty thousand dollars (\$3,450,000) is hereby authorized to be expended from the Contingent Fund of the Medical Board of California on this program. These moneys are appropriated as follows:

(1) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2003. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2003–04 fiscal year for operating expenses necessary to manage this program.

(2) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2004. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2004–05 fiscal year for operating expenses necessary to manage this program.

(3) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2005. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2005–06 fiscal year for operating expenses necessary to manage this program.

(c) Funds placed into the Medically Underserved Account shall be used by the board to repay the loans per agreements made with physicians.

(1) Funds paid out for loan repayment may have a funding match from foundation or other private sources.

(2) Loan repayments shall not exceed one hundred five thousand dollars (\$105,000) per individual licensed physician.

(3) Loan repayments shall not exceed the amount of the educational loans incurred by the physician applicant.

(d) Notwithstanding Section 11005 of the Government Code, the board may seek and receive matching funds from foundations



and private sources to be placed into the Medically Underserved Account. The board also may contract with an exempt foundation for the receipt of matching funds to be transferred to the Medically Underserved Account for use by this program.

2154.5. The terms of loan repayment granted under this article shall be as follows:

(a) After a program participant has completed one year of providing services as a physician in a medically underserved area, the division shall provide up to twenty-five thousand dollars (\$25,000) for loan repayment.

(b) After a program participant has completed two consecutive years of providing services as a physician in a medically underserved area, the division shall provide up to an additional thirty-five thousand dollars (\$35,000) of loan repayment, for a total loan repayment of up to sixty thousand dollars (\$60,000).

(c) After a program participant has completed three consecutive years of providing services as a physician in a medically underserved area, the division shall provide up to a maximum of an additional forty-five thousand dollars (\$45,000) of loan repayment, for a total loan repayment of up to one hundred five thousand dollars (\$105,000).

2154.6. Pursuant to Section 2313, the division shall also include the following in its annual report:

(a) Number of the program participants.

(b) Practice locations.

(c) Amount expended for the program.

(d) Information on annual performance reviews by the practice settings and program participants.

2154.7. (a) On January 1, 2003, applications from physicians for program participation may be submitted.

(b) The division shall report to the Legislature, no later than October 1, 2004, the experience of the program since the inception, an evaluation of its effectiveness in improving access to health care for underserved populations, and recommendations for maintaining or expanding its operation.

(c) The division may promulgate emergency regulations to implement the program.

SEC. 7. The Legislature finds and declares all of the following:



(a) According to the Physician Shortage Area Survey conducted by the Medical Student Section of the California Medical Association, an overwhelming number of California preclinical medical students plan to complete their residency training in California and eventually practice in California. Over half of clinical medical students in their final years of medical school similarly plan to complete their residency training in California in hopes of practicing in the state and a significant number of medical students plan to practice in an underserved community at any salary. Many California dental students plan to practice in California upon graduation and more would do so if loan forgiveness or repayment financial incentives existed to offset the higher cost of living in California.

(b) According to the Physician Shortage Area Survey conducted by the Medical Student Section of the California Medical Association, in response to linguistic barriers in underserved communities a significant number of California medical and dental students will be able to communicate in Spanish in a clinical environment before entering practice. In addition, California medical and dental students speak over 40 different languages, ranging from Arabic to Tagalog.

SEC. 8. Article 2.5 (commencing with Section 127925) is added to Chapter 2 of Part 3 of Division 107 of the Health and Safety Code, to read:

Article 2.5. California Medical and Dental Student Loan
Repayment Program

127925. This article shall be known and may be cited as the California Medical and Dental Student Loan Repayment Program of 2002.

127926. It is the intent of this article that the Office of Statewide Health Planning and Development, in consultation with the Dental Board of California, the Medical Board of California, the medical and dental community, including ethnic representatives, medical and dental schools, health advocates representing ethnic communities, primary care clinics, public hospitals and health systems, statewide agencies administering state and federally funded programs targeting underserved communities, and members of the public with health care issue



area expertise shall develop and implement the California Medical and Dental Student Loan Repayment Program of 2002.

127927. (a) There is hereby established in the Office of Statewide Health Planning and Development the California Medical and Dental Student Loan Repayment Program of 2002.

(b) The Office of Statewide Health Planning and Development shall operate the California Medical and Dental Student Loan Repayment Program of 2002 in accordance with, but not limited to, the following:

(1) Increased efforts in educating medical and dental students and medical residents of the need for physicians and dentists in underserved communities, and of programs that are available that provide incentives, financial and otherwise, to practice in settings and areas in need.

(2) Strategic collaboration with California medical and dental schools and postgraduate programs to better prepare physicians and dentists to meet the distinctive cultural and medical needs of underserved populations.

(3) Encourage the University of California and other medical and dental schools to increase the number of medical and dental students and medical residency program positions.

(4) Establish, encourage, and expand programs for medical and dental students and medical residents for mentoring at primary and secondary schools, and college levels to increase the number of students entering the medical and dental sciences.

(5) Administer financial or other incentives to encourage new or experienced physicians and dentists to practice in underserved areas.

127928. For purposes of this part, the following terms have the following meanings:

(a) “Program” means the California Medical and Dental Student Loan Repayment Program of 2002.

(b) (1) “Medically underserved area” means an area as defined in Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exists as determined by the Health Manpower Policy Commission pursuant to Section 128225 of the Health and Safety Code.

(2) “Dentally underserved area” means a geographic area eligible to be designated as having a shortage of dental



professionals pursuant to Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for dentists exist as determined by the Health Manpower Policy Commission pursuant to Section 128224 of the Health and Safety Code.

(c) (1) “Medically underserved population” means the Medi-Cal, Healthy Families and uninsured population.

(2) “Dentally underserved population” means persons without dental insurance and persons eligible for the Denti-Cal and Healthy Families Programs who are population groups described as having a shortage of dental care professionals in Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations.

(d) “Medi-Cal threshold languages” means primary languages spoken by limited-English proficient (LEP) population groups meeting a numeric threshold of 3,000 eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(e) “Office” means the Office of Statewide Health Planning and Development.

127929. (a) The office shall administer the California Medical and Dental Student Loan Repayment Program of 2002. Any individual enrolled in an institution of postsecondary education participating in the program set forth in this article may be eligible to receive a conditional warrant for loan repayment, to be redeemed upon becoming employed as a physician or dentist in a medically underserved area or a dentally underserved area serving primarily medically or dentally underserved populations. In order to be eligible to receive a conditional loan repayment warrant, an applicant shall satisfy all of the following conditions:

(1) The applicant has been judged by his or her postsecondary institution to have outstanding ability on the basis of criteria that may include, but not be limited to, any of the following:

- (A) Grade point average.
- (B) Test scores.
- (C) Faculty evaluations.
- (D) Interviews.
- (E) Other recommendations.



(2) In order to meet the costs associated with obtaining a medical or dental degree, the applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (10 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(3) The applicant has agreed to provide services as a licensed physician for up to three consecutive years, after obtaining a license from the Medical Board of California in a medically underserved area, or the applicant has agreed to provide services as a licensed dentist for up to three consecutive years, after obtaining a license from the Dental Board of California in a dentally underserved area.

(4) The applicant has agreed to work in a setting where the applicant will primarily serve medically or dentally underserved populations.

(b) The office shall ensure that priority consideration be given to applicants who are best suited to meet the cultural and linguistic needs and demands of medically and dentally underserved populations and who meet one or more of the following criteria:

(1) Speak a Medi-Cal threshold language.

(2) Come from an economically disadvantaged background.

(3) Have received significant training in cultural and linguistically appropriate service delivery.

(4) Have done a medical rotation serving medically underserved populations or provided dental services to members of a dentally underserved population.

(c) A person participating in the program pursuant to this section shall not receive more than one warrant.

(d) The office shall adopt rules and regulations regarding the reallocation of warrants if a participating institution is unable to utilize its allocated warrants or is unable to distribute them within a reasonable time period.

127930. The office, in accordance with Section 127926, shall develop the process to redeem an applicant's warrant and commence loan repayment.

127931. (a) The office shall distribute student applications to participate in the program to postsecondary institutions eligible to



participate in the state and federal financial aid programs and that have a program of professional preparation that has been approved by the Medical Board of California or the Dental Board of California. Each eligible institution shall receive at least one application.

(b) Each participating institution shall sign an institutional agreement with the office, certifying its intent to administer the program according to all applicable published rules, regulations, and guidelines, and shall make special efforts to notify students regarding the availability of the program, particularly to economically disadvantaged students.

(c) To the extent feasible, the office and each participating institution shall coordinate this program with other existing programs designed to recruit or encourage students to enter the medical and dental professions. These programs shall include, but not be limited to, the following:

- (1) The Song-Brown Family Physician Training Act.
- (2) The Health Education and Academic Loan Act.
- (3) The National Health Service Corp.

127932. (a) The office, in accordance with Section 127926, shall administer this program, and shall adopt rules and regulations for that purpose. The rules and regulations shall include, but not be limited to, provisions regarding the period of time for which a warrant shall remain valid, the reallocation of warrants that are not utilized, and the development of projections for funding purposes.

(b) The office shall work in conjunction with lenders participating in federal or similar loan programs to develop a streamlined application process for participation in the program set forth in this article.

127933. (a) The office shall establish a fund to utilize for the purposes of this article.

(b) The office may seek matching funds from foundations and private sources. The office may also contract with an exempt foundation for the receipt of matching funds to be transferred to the fund for use by this program.

(c) The provisions of this article shall not become operative unless appropriate funding, as determined by the office, is made available.

SEC. 9. Section 128224 is added to the Health and Safety Code, to read:



128224. The commission shall identify specific areas of the state where unmet priority needs for dentists and physicians exist.



Approved _____, 2002

Governor

